

THE PRESIDENT'S INTELLIGENCE REVIEW

ISSUED BY THE
CENTRAL INTELLIGENCE AGENCY

1 - 4 FEBRUARY 1964
~~TOP SECRET~~

4 February 1964

1. Cyprus: Just prior to the attack on the US Embassy in Nicosia, British senior representative Pickard passed Makarios' reply on the interallied force proposal to Ambassador Wilkins.

In it, Makarios made these points:

- The principle that an international force should be created and stationed in Cyprus is accepted;
- Such force should be under the Security Council (its composition should be agreed upon in advance);
- In such force there should be no participation of Greek or Turkish forces;
- The terms of reference of the force should include the protection of the territorial integrity of the republic and assist in restoring normal conditions.

Pickard said he thought the problems Makarios raises can be worked out through careful--and time-consuming--negotiation in London if the situation does not get out of hand on the island first.

The bombing of our Embassy may make this all out of date. Makarios, by encouraging street demonstrations Monday and today against our proposals, may now find himself riding the tiger.

2. South Vietnam: General Khanh is working hard to build up a good public image. He spent much of Sunday visiting troops and villagers outside of Saigon, taking General Minh along in his new role of "adviser."

He is retaining ex-Prime Minister Tho's cabinet on a caretaker basis and has told both General Harkins and Ambassador Lodge that he hopes to keep to a minimum the number of personnel changes. He has asked our advice and recommendations for new appointments.

Khanh claims that, had he not moved when he did, he would have been arrested the next day at a scheduled meeting of Corps commanders. He says Minh would have been arrested, too, and General Kim would then have gone on the air to proclaim a policy of neutralism.

We are not convinced the situation was as dangerous as Khanh claims.

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Both Harkins and Lodge are coming around to the view that perhaps General Khanh's advent was a blessing in disguise.

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3. Communist China - USSR: The Chinese premier is returning today to Peiping (via Karachi and Rangoon) without having practiced his French on General De Gaulle.

With his itinerary cut short by cancellations in East Africa, he may have thought it best to return to Peiping in order to help call signals in the recognition game.

His next scheduled stop is a state visit to Pakistan on 17 February.

In his interview with Edgar Snow published in Monday's New York Times, Chou acknowledged for the first time the existence of border trouble with the Soviets. He said agreement had been reached to negotiate the problem.

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4. France-China: Paris and Peiping took a further step last weekend when each named a chargé to represent it in the other's capital.

In neither case was mention made of timing. The arrival of a Chinese Communist charge in Paris will have a further unsettling effect on Taipei, which is uncertain how far it should go in trying to outlast Peiping.

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5. Panama: President Chiari remains caught between the necessity for breaking the diplomatic deadlock with the US and the demands of Panamanian popular opinion. He can probably get an OAS meeting, but this will accomplish little.

A break in the situation may come through former President Arnulfo Arias, who is preparing to make a bid for power.

His main hurdle is Panama's elite, who resent his appeal to the masses but see their interests threatened by the way things are going. Some may be willing to make a deal.

Arias would like to be voted into office in May's elections and, at the moment, his chances look fairly good.

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His broad popular appeal brought him into the presidency twice before, but each time he was ousted by the National Guard.

Leftist agitators also continue busy. A big student-worker demonstration is slated for next Monday in Panama City.

6. Maphilindo Meeting: Thai Foreign Minister Thanat, who has been in charge of the arrangements, says the foreign ministers of Malaysia, the Philippines, and Indonesia will gather Wednesday in Bangkok for a brief welcoming ceremony. Their first working session is scheduled for Thursday.

Thanat, like Macapagal, does not expect much from these talks. The Philippines take the position that Malaysia will have to grant Sukarno "face-saving" concessions.

For their part, the Indonesians seem happy with what they consider the success so far of their confrontation policy.

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7. Zanzibar - East Africa: Neither the new regime nor the imported Tanganyikan police have yet succeeded in disarming the guntoting followers of "Mar-shal" Okello.

The Tanganyikan police are spending most of their time in their barracks, and the government itself has shown little stomach for the task.

The only remaining US official on the island says that it is getting more difficult to protect American property. He reports that last week Okello's thugs made off with a US Government car, and the authorities have been unable to recover it.

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8. Ghana: Something peculiar is going on in Accra,

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A large body of army troops was drawn up briefly around Nkrumah's residence last Friday night. Since that time, the army security guard there has been quadrupled. This has awakened rumors, conflicting and unconfirmed, that Nkrumah is under some sort of army constraint.

The Ghanaian Army is generally apolitical, but we know its leaders are unhappy with Nkrumah's leftward course and his preparations to build up a palace elite to serve as a counterweight.

9. Thailand: There are signs that a palace coup in Thailand, which we have been expecting virtually since Sarit's death, may not be much longer coming.

The able, ambitious General Praphat, who has been pretty much running things in Thanom's "caretaker" government, is moving further to neutralize his two main rivals, Generals Chitti and Krit.

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We would not expect a government turnover to have any substantial effect on Thai-US relations.

10. USSR-Cuba: The Soviet ship Sergei Kirov has arrived in Cuba with military cargo.

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11. Congo: The leftist-inspired uprising in Kwilu Province east of Leopoldville has now grown to the point where it is interrupting mineral shipments (on the Kasai River) out of Katanga. Government reinforcements have arrived but the trouble continues to spread.

12. Ecuador: Clashes with students have continued sporadically since last Thursday's demonstration, and military authorities have been forced to move into and close Quito's university.

This is just what the agitators wanted. Universities are generally considered sacred ground in Latin America. The boast is going about that no Ecuadorean government has ever taken on the students and survived.

The ruling junta is already divided within and threatened by ex-President Arosemena's plotting from without.

13. Honduras: [redacted]
a group of Liberal Party diehards now has everything in readiness to overthrow the Lopez military regime. They could make their move any day now.

They are not Castro-Communist backed, but the far left would be likely eventually to benefit most from this coup or from one also being plotted by a disgruntled group within the military.

14. Egypt - Saudi Arabia: The Saudis and Egyptians have moved nearer rapprochement. Jidda has announced that it will restore diplomatic relations with Cairo provided the two countries' representatives meet with Iraqi and Algerian mediators to settle "all their outstanding problems."

15. Laos: Neutralist Premier Souvanna Phouma says the Pathet Lao offensive in central Laos has wrecked his efforts to pull the three government factions together. As a result he has suspended preparation for further meetings in the Plaine des Jarres.